

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

UNITED STATES OF AMERICA

§ Claim No: 1998A11393

vs.

§
§
§

Loretta Thompson

COMPLAINT

TO THE HONORABLE UNITED STATES DISTRICT COURT JUDGE:

The United States of America, plaintiff, alleges that:

Jurisdiction

1. This Court has jurisdiction over the subject matter of this action pursuant to Article III, Section 2, U.S. Constitution and 28 U.S.C. § 1345.

Venue

2. The defendant is a resident of Oakland County, Michigan within the jurisdiction of this Court and may be served with service of process at 27500 Franklin Road Apartment 816, Southfield, Michigan 48034.

The Debt

3. The debt owed the USA is as follows:

A. Current Principal (<i>after application of all prior payments, credits, and offsets</i>)	\$2,909.34
B. Current Capitalized Interest Balance and Accrued Interest	\$4,983.69
C. Administrative Fee, Costs, Penalties	\$10.17
D. Credits previously applied (<i>Debtor payments, credits, and offsets</i>)	\$0.00

E. Attorneys fees	\$0.00
Total Owed	\$7,903.20

The Certificate of Indebtedness, attached as Exhibit A", shows the total owed excluding attorney's fees and CIF charges. The principal balance and the interest balance shown on the Certificate of Indebtedness is correct as of the date of the Certificate of Indebtedness after application of all prior payments, credits, and offsets. Prejudgment interest accrues at the rate of 8.000% per annum.

Failure to Pay

4. Demand has been made upon the defendant for payment of the indebtedness, and the defendant has neglected and refused to pay the same.

WHEREFORE, USA prays for judgment:

A. For the sums set forth in paragraph 3 above, plus prejudgment interest through the date of judgment, all administrative costs allowed by law, and post-judgment interest pursuant to 28 U.S.C. § 1961 that interest on the judgment be at the legal rate until paid in full;

B. For attorneys' fees to the extent allowed by law; and,

C. For such other relief which the Court deems proper.

Respectfully submitted,

By: s/Charles J. Holzman (P35625)
 Holzman Corkery, PLLC
 Attorneys for Plaintiff
 Tamara Pearson (P56265)
 28366 Franklin Road
 Southfield, Michigan 48034
 (248) 352-4340
usa@holzmanlaw.com

U. S. DEPARTMENT OF EDUCATION
SAN FRANCISCO, CALIFORNIA

CERTIFICATE OF INDEBTEDNESS

Name: Loretta Thompson

Address: 14554 Prairie St
Detroit, MI 48238
SSN 1

Total debt due United States as of 8/7/97: \$4,427.02

I certify that U.S. Department of Education records show that the debtor named above is indebted to the United States in the amount stated above, plus additional interest on the principal balance of \$2,909.34 from 8/7/97 at the annual rate of 8.00%. Interest accrues on the principal amount of this debt at the rate of \$0.64 per day.

The claim arose in connection with a Government insured or guaranteed loan made by a private lender and assigned to the United States.

On 2/9/88 & 3/27/89 the debtor executed promissory note(s) to secure loan(s) from Citibank (New York State) Rochester, NY & Merchants National Bank of Topeka c/o Loan Processing Center, Lincoln, NE under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et.seq (34 C.F.R. part 682). The holder demanded payment according to the terms of the note(s) and on 12/1/88 & 5/1/90 the debtor defaulted on the obligation.

Pursuant to 34 C.F.R. 682.202 and/or terms of the promissory note(s) the holder(s) capitalized interest accrued to the original lender in the amount of \$201.84, thereby increasing the principal balance due to \$2,909.34.

After application of the last voluntary payment of \$0.00 which was received on N/A the debtor now owes the following:

Principal:	\$2,909.34
Interest:	\$1,507.51
Administrative/Collection Costs:	\$10.17
Penalties:	\$0.00

CERTIFICATION: Pursuant to 28 USC Section 1746, I certify under penalty of perjury that the foregoing is true and correct.

AUG 21 1997

Date


Zafar Syed
Loan Analyst
Litigation Branch

~~THE PAYMENT OF REPAYMENT~~

I understand that in certain instances by the ACT the payments that I am required to make under Section D may be deferred. Payments of principal on my loan will be deferred after the repayment period begins, because of circumstances listed below, provided I comply with the procedural requirement set forth in the regulations governing the GSLP.

To be granted a deferment, I must provide the lender with evidence of my ability. I must subsequently notify the lender as soon as the condition for which the deferment was granted no longer exists.

MODIFICATION OF REPAYMENT TERMS

If I am unable to repay this loan in accordance with the terms established under Section D, I may request the lender to modify these terms. The lender may, but is not required to, do one or more of the following:

- 1) A short period of time in which payments are waived.
- 2) A reasonable extension of time for making payments.
- 3) Making smaller payments than were originally scheduled.

I understand that during this period I will remain responsible for payment of interest which the lender may (a) collect from me on a periodic basis or (b) add to the principal balance of the loan.

REPAYMENT BY DEPARTMENT OF DEFENSE

Under certain circumstances, military personnel may have their loans repaid by the Secretary of Defense in accordance with Section 102 of the Department of Defense Authorization Act.

Questions concerning the program should be addressed to the local Service recruiter. The program described is a recruiting program and does not pertain to prior service individuals or those not eligible for enlistment in the Armed Forces.

CFD 12/11/90 258927

DOUBLE
SIDED

RECEIVED

ADD 0 3 1080 GSL

LP; Nebraska Student Loan Program Application/Promissory Note

WARNING: ANY PERSON WHO KNOWINGLY MAKES A FALSE STATEMENT OR MISREPRESENTATION ON THIS FORM IS SUBJECT TO PENALTIES WHICH MAY INCLUDE FINES OR IMPRISONMENT UNDER THE UNITED STATES CRIMINAL CODE AND 20 U.S.C. 1097.

SECTION I—TO BE COMPLETED BY STUDENT BORROWER Type or print clearly with a ballpoint pen. Read the instructions carefully.

Social Security Number	2. Last Name	First	M.I.	3. Birth Date (Mo./Day/Yr.)
(313) 867-5905	THOMPSON	LORETTA		
U.S. Citizenship Status	5. Permanent Home Address	Street	City	State ZIP Code + 4
<input checked="" type="checkbox"/> (a) U.S. Citizen, National or related status	2529 Richton		Detroit	Mi 48205
<input type="checkbox"/> (b) Permanent Resident or Eligible Noncitizen (See Instructions)	7. Driver's License Number	State	8. State of Legal Residence	
<input type="checkbox"/> (c) Neither a nor b (See Instructions)			State MI Since 1955	
Alien Registration #	11. Intended Enrollment: (See Instructions.)		Prior to the school year for which this loan is intended, have you ever been enrolled in any school beyond the high school level?	
Requested Loan Amount	<input checked="" type="checkbox"/> Full-time		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
\$400.00	<input type="checkbox"/> At least half-time			
	<input type="checkbox"/> Less than half-time			
While in School, You Intend To Live ("X" One)	<input type="checkbox"/> With Parents	<input type="checkbox"/> On Campus	<input checked="" type="checkbox"/> Off Campus	
Address 2529 Richton	Phone (313) 867-5905			15. Major
Detroit Mich				Use Code on page 4 of Instructions.

Do you have any outstanding GSL, FISL, PLUS, SLS, ALAS debts? Yes No If yes, list below. (See Instructions) If no, write none and go to 17. Attach a separate sheet if more space is needed.

Name of Lender	City & State of Lender	Unpaid Balance & Interest Rate	Loan Period Begin	Loan Period End	Loan Type GSL, FISL, PLUS etc.	Student Grade Level
		\$ %				
		\$ %				
		\$ %				

(a) Endorser (if any), Parent or Guardian (Circle one)

Sharon Boger
 Street 2128 Colidge
 State, ZIP Nebraska 68237
 Home 313

(b) Adult Relative, Friend or Separated Parent (Circle one)

Name Leola Oliver
 Address 18227 Mendota
 City Altamont State MI ZIP 48221

(c) Other Adult Relative or Friend (Circle one)

Name Mary Williams
 Address 80449 Asterion
 City Altamont State MI ZIP 48228

SECTION II—TO BE COMPLETED BY STUDENT LOAN

I and my endorser PROMISE TO PAY to you or your order when this Note becomes due as set forth in Paragraph B, a sum certain equal to the loan amount I have requested in Section I, Item 10 of the application for a GSL Loan. This note may be incorporated by reference into this Promissory Note to the extent that it is advanced to me, plus interest as set forth in Paragraph C and any other charges which may become due as set forth in Paragraph D. Payments will be made to your address as indicated on my Disclosure Statement, or to any other address of which you notify me.

I attest that by accepting the proceeds of this loan I am agreeing to repay the sum advanced to me including guarantee and origination fees under the terms and conditions of this Promissory Note and Disclosure Statement. I understand and agree that if the sum in the Disclosure Statement is less than the sum stated in this note, I am obligated to repay the sum stated in the Disclosure Statement.

DETERMINE THAT THIS IS A PROMISSORY NOTE. I WILL NOT SIGN IT BEFORE I READ IT, INCLUDING THE WRITING ON THE REVERSE SIDE, EVEN IF OTHERWISE ADVISED. I AM ENTITLED TO KEEP AN EXACT COPY OF MY APPLICATION AND PROMISSORY NOTE. I AM ALSO ENTITLED TO KEEP AN EXACT COPY OF THE DISCLOSURE STATEMENT TO BE ISSUED TO ME BEFORE I ACCEPT MY LOAN CHECK. BY SIGNING THIS NOTE, I KNOWLEDGE THAT I HAVE KEPT AN EXACT COPY OF MY APPLICATION/PROMISSORY NOTE COMPLETED THROUGH SECTION I. BY SIGNING THIS NOTE, I CERTIFY THAT I HAVE READ, UNDERSTAND, AND AGREED TO THE BORROWER CERTIFICATION ON ITS REVERSE SIDE AND THE STATEMENT OF BORROWERS RIGHTS AND RESPONSIBILITIES ON PAGE 13. (PROMISSORY NOTE CONTINUES ON REVERSE SIDE.)

Loretta Thompson March 27 89

Date

Signature of Endorser (if any)

Date

SECTION III—TO BE COMPLETED BY SCHOOL

Name of School	20. For School Use	21. School Code	Branch I.D.
North West Beauty College	3	020558	
Address Street	City	State	ZIP Code + 4
2128 Colidge	Oak Park	IL	60437
Loan Period (Mo./Day/Yr.) from: <u>3-89</u> To: <u>12-28-89</u>	24B. Loan Period Covers:	25. Borrower Grade Level	26. Dependency Status
	<input type="checkbox"/> Quarters	Correspondence <input type="checkbox"/>	<input type="checkbox"/> Dependent
	<input type="checkbox"/> Semesters	Undergraduate <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>	<input type="checkbox"/> Independent
	<input checked="" type="checkbox"/> Clock Hours	Graduate/Professional <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/>	
Estimated Cost of Education for Loan Period <u>12,505 -</u>	29. Estimated Financial Aid for Loan Period <u>\$ 2200 -</u>	30. Expected Family Contribution for Loan Period <u>\$ 154</u>	31. Difference (Item 28 minus Items 29 and 30) <u>\$ 10,151 -</u>
32. Amount School Approves <u>\$ 2,600 -</u>			

My signature certifies that I have read and agreed to the School Certification on the reverse side.

Loretta Orzuch 3-28-89
 Title of School Official Print Name & Title Loretta Orzuch FAO

34. Suggested Disbursement Dates (Mo./Day/Yr.)

1. 3 28 89
2. 8 28 89
3. _____

SECTION IV—TO BE COMPLETED BY LENDER

Name of Lender	36. For Lender Use	37. Scheduled Disbursement Amounts and Dates (Mo./Day/Yr.)		
Merchants National Bank of Topeka c/o Loan Processing Center	3	\$ <u>1300</u> <u>3 28 89</u>		
Address	City	State	ZIP Code + 4	39. Area Code/Telephone Number
P.O. Box 6961	Lincoln	NE	68506	(913) 291-1213
41. Lender Code <u>804725</u>				
43. Date (Mo./Day/Yr.) <u>4-3-89</u> 44. NSLP USE				
45. List current borrower indebtedness at your institution (see Instructions)				
GSL/FISL <u>\$</u> <u>\$</u> PLUS/SLS/ALAS				

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Promissory Note (continued from Application/Promissory Note)

ASSIGNMENT OF PROMISSORY NOTE

AFFIX TO BACK OF PROMISSORY NOTE

Pay to the order of NSLP, Nebraska Student Loan Program, Inc., without recourse, provided, however, notwithstanding this endorsement without recourse, the undersigned hereby expressly:

1. Warrants that:

 - a) no defense of any party against the undersigned; and
 - b) the undersigned is in compliance with the terms of that certain Lender Agreement for Guarantee of Student loans with Federal Reinsurance ("Lender Agreement") between it and NSLP, in accordance with which payment of the indebtedness evidenced by this instrument was guaranteed by NSLP.
 - c) warrants that to the extent it has knowledge of any insolvency proceeding it has disclosed the same to NSLP.
2. Acknowledges that:

 - a) upon payment in full by NSLP of the claim submitted by the undersigned pursuant to the aforesaid Lender Agreement, NSLP will have discharged all of its obligations to the undersigned arising out of said Lender Agreement; and
 - b) notwithstanding payment by NSLP of the undersigned's claim and acceptance by NSLP of transfer of this instrument in consideration thereof, NSLP has not waived any rights that it may have against the undersigned pursuant to the terms of the aforesaid Lender Agreement.

Promissory Note. (2) Any notice required
wired for any endorser. (3) Your failure to
writing. (4) If NSLP is required under
original lender to enforce this Note against
any other holder of this Note. (7) The
Holder's demand, presentation for payment
thereon notwithstanding any defacement or
is no notice.

It's Note if my repayment period has begin Responsibilities. I must notify my lenient options.

as described in Paragraph E, in which case I will pay you the amount due in Paragraph B, you will send me a bill for repayment of this Note. The Repayment Disbursement will consist of monthly payments for a period of not less than 5 years. My total payments for an amount due to you by my spouse on any GSL, PLUS or SLS loans.

loan. This may significantly and adversely affect the repayment status of this loan.

This printed on page 13 of this booklet.
names of the parties as set forth herein. I v

artify that the information contained in Section 3 of this application is true and correct. I agree to pay to the lender any refund which may be due me by the U.S. Department of Education, NSLP, or any other source. I understand that my right to receive funds for this loan (e.g., employment, enrollment, etc.) will be terminated if I fail to make reasonable efforts to find employment or to attend an approved educational institution. I understand that my right to receive funds for this loan will be terminated if I fail to make reasonable efforts to meet the requirements of the Guaranteed Student Loan Program, the GI Bill (Veterans' Educational Assistance Act), the GI Bill (Supplemental Educational Opportunity Fund), or the Defense Student Loan Program, or if I fail to attend an approved educational institution to issue a check covering the amount of the loan. I have read and understand the terms and conditions of this application.

Charges, grace period, late charges, and other terms. The Application/Promissory Note, the information

SIGNATURE

DATE

NAME

THE E

Borrower Certification

I declare under penalty of perjury under application is true, complete and correct up to the amount of this loan. I further agree to redisclose to other educational institutions other aspects of my student loan borrowed by this application at the school named expenses related to attendance in that state (PL. 89-329), as amended, will not exceed State Student Incentive Grant that I received Federally Insured Student Loan, PLUS loan, in full, or in part, made payable to the Borrower's Rights and Responsibilities.

I understand that I will receive a Disclosure Statement that identifies my loan(s) and provides information pertinent to my loan(s). I understand and agree that if the information on the Disclosure Statement conflicts with the information in this application, the Disclosure Statement applies.

School Certification

NOTICE TO BORROWER AND ENDORSER: BY YOUR SIGNATURE ON THE OTHER SIDE OF THIS APPLICATION/PROMISSORY NOTE YOU ARE AGREEING TO THE ABOVE TERMS AND CERTIFICATION.